Her Excellency  
Viviana Caro Hinojosa  
Minister of Development Planning  
Ministry of Development Planning  
Ave. Mariscal Santa Cruz, esq. Oruro  
Piso 5, La Paz, Bolivia  

Re: BOLIVIA: Credit No. 4396-BO (Investing in Children and Youth Project)  
Second Amendment to the Financing Agreement

Excellency,

Please refer to the Financing Agreement between the Plurinational State of Bolivia (formerly known as the Republic of Bolivia) (The Recipient) and the International Development Association (The Association), dated July 31, 2008, as amended on January 13, 2011, for the Investing in Children and Youth Project (Project), and to your letter dated November 12, 2013 requesting the Association to extend the closing date, reallocate resources among disbursement categories and cancel a specific amount provided for under the Financing Agreement.

I am pleased to inform you that the Association has established December 31, 2014 as the later date for purposes of Section IV.B.4 of Schedule 2 of the Financing Agreement.

We also refer to your request for a cancellation of unused funds of the Financing Agreement. In view of the foregoing, and in accordance with the provisions of Section 6.01 of the General Conditions for Credits applicable to the Financing Agreement, the Association hereby cancels, as of November 13, 2013, the amount of SDR 2,496,437 originally allocated to Categories 1(a) and (b) of the table on Section IV.A.2 of Schedule 2 of the Financing Agreement.

In addition, we also refer to your request for a reallocation of proceeds allocated to the Categories set forth in Section IV.A.2 of Schedule 2 of the Financing Agreement, as follows: an amount equal to SDR 1,323,000 from Category 1 (a) and (b) to Category 2 (SDR 1.1 million) and Category 3 (SDR 0.223 million).

The table in Section IV.A.2 of Schedule 2 to the Financing Agreement is amended to: (i) reflect the cancellation by the Recipient of SDR 2,496,437; and (ii) reallocate Loan proceeds. Consequently, the revised table is hereby replaced to read as set forth in the Annex to this Amendment Letter.
The commitment charges on the amount cancelled cease to accrue from November 13, 2013.

The Amortization Schedule is being revised by the Bank as a result of the cancellation, and, if applicable, the revised figures will be sent to you shortly.

Please confirm your agreement with the foregoing amendment by signing and dating this Amendment Letter in the spaces provided below. All other provisions of the Financing Agreement except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in two (2) counterparts each of which shall be an original.

The provisions set forth in this Amendment Letter shall become effective as of the date above-written, upon receipt by the Association of one fully executed original of this Amendment Letter.

Please also note that the approved Restructuring Paper dated December 26, 2013 will be disclosed on the Association’s external website.

Sincerely,

[Signature]
Susan G. Goldmark
Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

AGREED:

PLURINATIONAL STATE OF BOLIVIA

[Signature]
E. Viliana Caro Hinojosa
MINISTRA DE PLANIFICACIÓN DEL DESARROLLO

By: Authorized Representative

Date: 30 DIC 2013

cc: Mr. César Guido Forcieri, Executive Director, World Bank
Mr. Juan Carlos Calvimontes Camargo, Minister of Health and Sports, Ministry of Health and Sports
Mr. Daniel Santalla Torrez, Minister of Labor, Employment and Social Services, Ministry of Labor, Employment and Social Services
Mrs. María Félix Delgadillo, Unidad de Análisis de Políticas Económicas y Sociales (UDAPE)
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) (a) Cash Transfers and Operating Costs for Part 1 (a) of the Project; and (b) Goods, consultant services, Training and Operating Costs for Parts 1 (b) and (c) of the Project</td>
<td>2,894,023</td>
<td>100% of Expenditures incurred and/or paid by MoH under Category 1(a) before and/or on December 31, 2013</td>
</tr>
<tr>
<td></td>
<td>1,286,540</td>
<td>100% of Expenditures incurred and/or paid by MoH under Category 1(b) before and/or on December 31, 2013</td>
</tr>
<tr>
<td>(2) Goods, Non-Consultant Services, consultant services, Training and Operating Costs for Part 2 of the Project</td>
<td>3,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, consultant services (including audits), Training and Operating Costs for Part 3 of the Project</td>
<td>823,000</td>
<td>100%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>8,403,563</td>
<td></td>
</tr>
<tr>
<td>Amount cancelled as of November 13, 2013</td>
<td>2,496,437</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>10,900,000</td>
<td></td>
</tr>
</tbody>
</table>